

Connecticut Nonprofit Human Services Cabinet

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Testimony before the Appropriations Committee March 5, 2010

SB 357, AAC Reductions to State Contracts SB 359, AAC Reporting by State Agencies

The Connecticut Nonprofit Human Services Cabinet (Cabinet) is a statewide coalition comprised of 20 nonprofit human service associations and organizations representing approximately 800 providers. Its mission is to advance a strong and unified nonprofit human services system to effectively meet community needs. The Cabinet has worked with state agencies on critical contracting issues and business practices that impact over 2,000 Purchase of Services (POS) Contracts valued at approximately \$1.4 billion annually. Members play a vital role in addressing the critical health and human services needs that face so many Connecticut residents – we provide the safety net that *anyone* can find themselves in need of when least expected.

SB 357 - Support

The Cabinet supports SB 357 as it gives nonprofit human services providers the flexibility to run their businesses efficiently and effectively. This bill allows private providers to transfer funds between line items of a contract that has been reduced mid-year without prior authorization from the funding agency.

Mid-year contract reductions have become an unfortunate reality for private providers over the past two years. Continued budget rescissions and reductions have challenged nonprofit human services providers who have already faced an average COLA of approximately 1% over the past twenty years. For years, private providers have been creating efficiencies in our services as we continue to be asked to do more with less. Nonprofit human services providers have streamlined administrative functions, collaborated on services and joined cooperative purchasing programs. We have done everything in our power to ensure that Connecticut residents receive the essential health and human services to which they are entitled.

This bill will create a stronger partnership with nonprofit human services providers and the state. By allowing private providers to transfer funds among line items in a contract that has been reduced mid-year without prior authorization, it demonstrates the state's trust with the nonprofit human services providers on which it depends. As we have seen from years of prudently run businesses, nonprofit human services providers are the ones who know best when one line item in a contract can stand to lose money while another line item cannot because it would have a negative impact on services. Providers should be able to make that call immediately for the good of the client without having to wait for prior authorization from the state agency. This flexibility allows the nonprofit to ensure that each taxpayer dollar is being spent in the most efficient and effective way.

SB 359 – Support

The Cabinet supports SB 359 and requiring the Executive Branch to report on the availability and pursuit of federal funds. Maximizing federal revenue is a top priority of the Cabinet. The Nonprofit Cabinet is represented on the Governor's TANF Emergency Contingency Fund Work Group to assist the state with gathering the documentation necessary to capture up to \$133 million in federal funds. It is no doubt a daunting task for both the state and private

Children's League of Connecticut

Connecticut AIDS Resource Coalition

Connecticut Association for Community Action

Connecticut Association for Human Services

Connecticut Association of Area Agencies on Aging

Connecticut Association of Nonprofits

Connecticut Coalition Against Domestic Violence

Connecticut Coalition to End Homelessness

Connecticut Community Providers Association

Connecticut Consortium of Legal Services

Connecticut Council of Family Service Agencies

Connecticut Sexual Assault Crisis Services

Connecticut Women's Consortium

End Hunger Connecticut

Mental Health Association of Connecticut

Oak Hill

Planned Parenthood of Southern New England

The Connection, Inc.

Wheeler Clinic

providers, but one that is well worth it. In addition to ARRA, there are many other opportunities for our state to secure federal funding that will allow it to shift some of the cost for essential health and human services off of Connecticut's General Fund. The legislature continuously requests the state to submit both an AIDS waiver and a family planning waiver, among other federal match programs that will bring in much needed revenue to the state. The Department of Mental Health and Addiction Services also provides a great example for other agencies of proficiency in securing federal grants.

In this difficult fiscal climate it is imperative that the state do all it can to maximize federal revenue in support of vital health and human services. Eradicating these services to achieve short-term savings will only lead to higher long-term costs for our state.

Thank you for the opportunity to submit testimony. Please contact Liza Andrews, Project Director, with questions at (860) 525-5080 or landrews@ctnonprofits.org.